

EVERGREEN ♦ EAST HILLS VISION STRATEGY

Evergreen East Hills Vision Strategy Task Force Meeting #13 & 14 September 25 and 27, 2006

Over the past three years the EEHVS Task Force have contemplated various policy issues. These policy issues have been directed at “balancing the equation” and quality of life concerns for the Evergreen area. Recommendations on these key policy issues are what will make up the major points to cover, as part of a recommendation package. There are a total of seven (7) key policy issues listed below with summary descriptions from past Task Force meetings to provide background and assist in the Task Force recommendation process.

Key Policy Issue #1: Retail/Commercial/Office

Previous Task Force meetings and working sessions have focused the amount of retail to be between 200,000 and 300,000 square feet. Specific sites that have been considered for retail/commercial/office development include the Arcadia site and the Evergreen Valley College site. The property owners/developers are proposing a total amount of 295,000 square feet of retail/commercial/office uses as part of their applications on file with the City.

Other concerns related to this issue include:

- The appropriateness of a grocery store on the Evergreen Valley College site.
- The needs for a wide array of retail from desirable sit down restaurants, to larger/convenience shopping.
- The desire of the City’s Office of Economic Development to expand retail/commercial opportunities on both opportunity sites and other sites within the policy area (up to 500,000 square feet).
- Expanding commercial opportunities within this sub-area of the City could address some overall traffic patterns within the Evergreen Policy Area (internalization).

Key Policy Issue #2: Affordable Housing

Affordable housing is also a key topic that the Task Force has considered. The Arcadia site is the only opportunity site located in a Redevelopment project area and is required by existing City policy to develop 20% of all new residential units as affordable units. Representatives from the Evergreen Valley College site have stated verbally that they intend to incorporate up to 40% of the units as affordable (rental), marketing the housing for teachers, fire fighters and police officers, although it has not been fully articulated if these units will meet the City’s affordability definition. Representatives for the Pleasant Hills Golf Course site and the Industrial sites are not proposing to develop any affordable units as part of their current proposals. Task Force discussions have included the possibility of either requiring:

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- Minimum of 20% affordable housing production for all of the opportunity sites.
- 20% on the Industrial and Arcadia sites or Golf Course and Arcadia sites.
- Requiring 20% on the Arcadia site alone (redevelopment area).

As a result of these scenarios, between 7% and 20% of the proposed new units could be affordable.

Key Policy Issue #3: Community Facility District (CFD)

The use of a CFD has been an issue that continues to be a key policy topic with varying viewpoints expressed by Task Force members. The formation of a CFD would serve as just one tool used to fund public improvements. Additional funding sources would be required to build out all of the necessary public infrastructure, transportation mitigation, and amenities. The property owner group has publicly stated that they would consider paying off any CFDs as development occurs.

The main concern by some of the Task Force members and public is the potential “hit” on the tax roles of future homeowners to pay off the CFD debt created by the developers and the possible negative affect this might have on future school bond measures.

Key Policy Issue #4: Schools

The project area encompasses three school districts that include the Mount Pleasant School District, the Evergreen Elementary School District, and the East Side Union High School District. According to the Guiding Principles, schools are considered a basic need and not an amenity. For this reason, a clear resolution of school needs and a commitment of land to meet these needs is a key requirement for many Task Force and community members.

Due to the amount of new housing proposed, the property owner group has agreed to accommodate construction of **three new K-4/K-6/K-8 schools** as part of their proposal by identifying possible school sites on their conceptual site plans. The property owner group and their consultants are engaged in ongoing discussions with the school districts regarding the most suitable size and location of these elementary school sites.

A significant number of community and Task Force members are also very interested in identifying a site for a new high school in the southeast Evergreen area. As a result, the Industrial Opportunity Site has been discussed as a possible location for a new high school. The Eastside Union High School District School Board has also issued a memorandum identifying a long-term need for a new high school in the southeast

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portion of their district (see attached letter). However, they have indicated that the EEHVS development alone would not trigger the construction of a new high school. The property owner group has indicated that providing the 40-50 acres necessary for a high school from the Campus Industrial Opportunity Site is incompatible with their development plans.

Key Policy Issue #5: Industrial Retention/Conversion

Industrial retention/conversion also continues to be a key policy topic with varying viewpoints expressed by Task Force members. The only identified opportunity for the retention of industrial lands and future job growth potential is the reservation of a portion or all of the current Campus Industrial Opportunity Site for future industrial use. Scenarios under discussion by the Task Force include:

- The elimination of all industrial use from the Campus Industrial site (as proposed by the property owner group and supported by some community members).
- Preservation of a 50 acre or 120 acre portion of the site with the possibility of allowing for an intensification of jobs on that site.
- Retention of the entire 320 acres of the site for industrial use.

At the June 19, 2006 Task Force Meeting, staff framed issues related to economic development. Staff brought forward concerns regarding the potential loss of significant amounts of industrial land needed for future job and revenue growth for the City. Since April of 2004, a total of 755 acres of industrial land have been converted to non-industrial uses, primarily residential. Approximately 400 additional acres (including the EEHVS project) are currently under review to be converted via pending General Plan applications on file. Converting the pending 400 acres of industrial land would amount to the conversion of roughly 10% of the City's industrial land base in a 2 year time period. Industrial development adds revenue to the general fund, which pays for vital services such as public safety, recreation, etc.

Key Policy Issues #6: Number of Residential Units

The appropriate or acceptable amount of new development, with particular focus on the total number of new residential units, has been perhaps the most contentious topic that the Task Force has been grappling with over the past several months. Many of the community members and Task Force members would prefer to see no development occur at all, while others have stated that they recognize the potential to develop and want to ensure additional development is balanced with "quality of life" improvements through the EEHVS process. As an example, Task Force representatives and community members concerned with the Pleasant Hills Golf Course site have stated that their primary preference is to have no development occur on the site and to

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preserve the area as either public or private open space. However, should development be approved on the site, many neighborhood representatives have requested that 40% to 60% of the site be preserved as open space.

Representatives of the Property Owner group maintain that approval of at least 5,200 new residential units for the four Opportunity sites is necessary in order for them to deliver the package of transportation and amenity projects tentatively identified during the Evergreen Vision Project process and that they are unsure of the viability of any proposal with fewer units. Some Task Force members state that a lower amount, such as 2,800 units or 3,400 units may be appropriate while others continue to question the need to make any changes to the current policies which would allow only a few hundred new units.

The most recent Task Force meetings have attempted to identify a “low” and “high” range of possible housing units for each site (see table below). The developers have stated that all of the opportunity sites must have some amount of housing in order to deliver the transportation and amenity improvements.

PROJECT SITE	Low Range	Mid Range	High Range
Arcadia	1,000 units	1,500 units	1,875 units
Pleasant Hills Golf Course	0 units	600 units	750 units
Evergreen Valley College	0 units	300 units	500 units
Campus Industrial (IDS/Legacy/Berg)	0 units	900 units	1,950 units
“Pool ¹ Units”	300 units	400 units	500 units
Total	1,600 units	3,700 units	5,575 units

¹ “Pool units” refer to the additional units that could be built on other parcels throughout the study area subject to the new Evergreen traffic policy (known as the Evergreen Development Policy).

Key Policy Issues #7: Amenity Package and Phasing

The Task Force participated in an exercise to prioritize desired amenities that are important to the quality of life for residents effected by any future development in this sub-area of the City (see the attached amenity list and descriptions for results). The amenity list is intended to be inclusive of all the comments and input heard and requested at various community and Task Force meetings, dating back to 2003. Additionally, the list included planned improvements that were identified through the City’s Greenprint. The Greenprint is the City’s 20-year strategic plan for parks and community centers.

The construction of the priority amenities identified by the Task Force exercise mentioned above would occur over time as private development projects are implemented (see potential phasing plan below). While a preliminary cost estimate of

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approximately \$255 million was prepared for the amenities proposed, projected construction costs will be refined once design work is completed and ultimately determined at time of construction. Some amenities are located on specific Opportunity sites and their full implementation may be difficult or impractical ahead of the development of the site. When amenities are located on an Opportunity site, any required land dedication will take place as part of the specific entitlement process for that Opportunity site.

POTENTIAL PHASING PLAN UNDER THE DRAFT EVERGREEN DEVELOPMENT POLICY

Phase	Entitlements/ Building Permits Issued	Transportation/ Community Amenities For Opportunity Sites	Developer Obligation to Fund/Construct (Estimated Cost in 2005 \$)
I	1 st PD Permit Approval	Fund design work for Phase II Transportation & Community amenities components, including but not limited to, planning, property acquisition and design work.	<u>\$20M</u> <u>(\$17M is for Base Improvements & \$3M is for Amenities)</u> <u>And</u> <u>Completion of US 101 Funding Agreement</u>
II	Up to 50% of Opportunity Site Units 100% of Pool Capacity	Fund construction for the following: <u>Transportation (All Base Improvements):</u> <u>Community Amenities:</u> <ul style="list-style-type: none"> TBD – based upon cost/funding available. Fund various Phase III Transportation & Community Amenities components, including but not limited to, planning, property acquisition and design and construction work.	Funding for all Base Improvements (Estimated Value \$100M) And Contribution for Amenities of \$10M <u>And</u> <u>20 Acres of Parkland Dedication*</u>
III	Up to 60% of Opportunity Site Units	Fund construction for the following: <u>Community Amenities:</u> <ul style="list-style-type: none"> TBD – based upon cost/funding available Fund various Phase IV Transportation & Community Amenities components, including but not limited to, planning, property acquisition and design and construction work.	Contribution \$25M + any additional amount needed for the Base Improvements <u>And</u> <u>5 Acres of Parkland Dedication*</u>
IV	Up to 70% of Opportunity Site Units	Fund construction for the following: <u>Community Amenities:</u> <ul style="list-style-type: none"> TBD – based upon cost/funding available Fund various Phase V Transportation & Community	Contribution for Amenities of \$25M <u>And</u> <u>5 Acres of Parkland Dedication*</u>

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		Amenities components, including but not limited to, planning, property acquisition and design and construction work.	
Phase	Entitlements/ Building Permits Issued	Transportation/ Community Amenities For Opportunity Sites	Developer Obligation to Fund/Construct (Estimated Cost in 2005 \$)
V	Up to 80% of Opportunity Site Units	<p>Fund construction for the following:</p> <p><u>Community Amenities:</u></p> <ul style="list-style-type: none"> TBD – based upon cost/funding available <p>Fund various Phase VI Transportation & Community Amenities components, including but not limited to, planning, property acquisition and design and construction work.</p>	<p>Contribution for Amenities of \$25M</p> <p><u>And</u></p> <p><u>5 Acres of Parkland Dedication*</u></p>
VI	Up to 90% of Opportunity Site Units	<p>Fund construction for the following:</p> <p><u>Community Amenities:</u></p> <ul style="list-style-type: none"> TBD – based upon cost/funding available <p>Fund various Phase VII Transportation & Community Amenities components, including but not limited to, planning, property acquisition and design and construction work.</p>	<p>Contribution for Amenities of \$25M</p> <p><u>And</u></p> <p><u>5 Acres of Parkland Dedication*</u></p>
VII	Up to 100% of Opportunity Site Units	<p>Fund construction for the following:</p> <p><u>Community Amenities:</u></p> <ul style="list-style-type: none"> TBD – based upon cost/funding available 	<p>Contribution for Amenities of \$25M</p> <p><u>And</u></p> <p><u>5 Acres of Parkland Dedication*</u></p>